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ABSTRACT

A study explored the policy process that led to the development and implementation of the Virginia Student Retention Program (VSRP--a program to facilite minority student recruitment and retention projects at Virginia colleges and universities), and examined perceived institutional impacts. The study attempted to determine whether the VSRP and the Virginia Student Transition Program, an academic support program for provisionally admitted students, did in fact facilitate change, what change strategies were successful, and what level of institutional adaptation to the presence of minority students has been achieved. Analysis was based on document review, observation, and analysis of responses in semi-structured interviews at three institutions: a rural comprehensive university, an urban research university, and a research university with highly selective admissions. State level interviews were also conducted with the State Higher Education Executive Officer, members of the State Council of Higher Education, and others. Results indicate that institutional change as measured by institutionalization of projects, incorporation into base budgets, and new hires occurred in two of the institutions. It appears that this change was related to centralized project administration and top administrative support. Incentives for change were seen as preferable to mandates or unfunded attempts to establish goals and priorities. Change appears most likely when funding is provided over several years and is sufficient to cover program costs. Although some progress has been made, further effort will be necessary to provide an environment that ensures equal opportunity for all students. Includes 20 references. (MSE)

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After the Money is Gone: Organizational Consequences of State Incentives to Improve Minority Student Recruitment and Retention

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Paper presented at the Association for the Study of Higher Education annual meeting, November 1-4, 1990, Portland Oregon

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This paper was presented at the annual meeting of the Association for the Study of Higher Education held at the Red Lion-Jantzen Beach in Portland, Oregon, November 1-4, 1990. This paper was reviewed by ASHE and was judged to be of high quality and of interest to others concerned with the research of higher education. It has therefore been selected to be included in the ERIC collection of ASHE conference papers.

Abstract

After the Money is Gone: Organizational Consequences of State Incentives to Improve Minority Student Recruitment and Retention

Research suggests that institutions must undergo significant change if minority students are to be successful to the same degree as their majority counterparts. This study examined organizational changes related to Virginia's state-wide incentive funding program, the Virginia Student Retention Program.

State incentive funds led to institutionalization of minority student recruitment and retention programs at two out of three campuses studied. Change appeared most likely when external funding was provided over several years, was sufficient to cover program costs, and when programs were administered centrally or involved broad participation.

After the Money is Gone: Organizational Consequences of State Incentives to Improve Minority Student Recruitment and Retention

INTRODUCTION

Issues of equity and diversity have moved into the mainstream of research and practice in higher education. The importance of increasing minority student participation and success in higher education seems unquestionable, both in terms of justice and equality and enlightened self-interest.

Although research has long identified the importance of institutional change in addressing differences in achievement between minority and majority students, (Crossland, 1971; Peterson, 1978; Thomas, 1981; Wright, 1987; Richardson and Skinner, 1989), little effort has been made to assess institutional changes that have occurred as a result of special programs to improve minority student recruitment and retention. This study sought to determine the type and level of institutional change that has occurred in three Virginia institutions as a result of state incentive and categorical funding to improve minority student recruitment and retention through the Virginia Student Retention Program (formerly the Funds for Excellence Subprogram) and the Virginia Student Transition Program (VSTP). Understanding how change occurs and how policy affects that change can aid in the development and implementation of policies that can help institutions facilitate minority student success.

Theoretical Framework

Kotter, Schlesinger, and Sathe (1979) identify a continuum of strategies managers might use in introducing organizational change. Changes range from an immediate and often short-lived response to a problem to longer term developmental change which evolves as institutions plan for the future. The type of change strategy used depends on how much change needs to be brought about, the amount of time and resources available to implement the change, and the amount of resistance to the change that can be anticipated. Although the theory does not place value on either end of the continuum, developmental change would appear to be more facilitative of minority student success than short-term strategies. The theory of problem-solving and developmental change relies on timing, involvement, and resistance -- all important variables in implementing desegregation plans in Virginia.

According to recent research by Richardson (1988) and colleagues, (Richardson and de los Santos, 1987; Richardson, Simmons, and de los Santos, 1987; Richardson and Skinner, 1989) higher education institutions go through a developmental change

process in adapting to a conflict between access and quality brought about by an increased presence of minority students. "The process of adaptation begins after administrative strategies adopted in response to external pressures for greater access produce mismatches between the press of an institutional environment and the capabilities and preferences of a new student clientele" (Richardson & Skinner, 1988, p. 5). This three stage process begins with the elimination of admission barriers and increased recruitment of minority students. Elements of the first stage include programs and services which do not alter institutional norms. In the second stage institutions begin to plan strategically to provide minority students with a fair opportunity to graduate. Emphasis is still on adjusting the student to the environment through special services, but they are better planned, more comprehensive, and centrally coordinated. A key element of stage two is the acceptance of the responsibility of intervening through public schools to help students become better prepared (Richardson, 1988). In the third stage the programs become systemized until a level of institutional transformation is reached. At this level the institution has undergone fundamental change which alters the learning environment and acknowledges the contribution of diverse students who are seen as important to the institution rather than as a threat to quality. Fundamental to this stage is institutional redefinition so that the goal of greater access becomes compatible with commitment to quality. Excellence and equity are viewed as mutually reinforcing principles. When institutions reach this level they eliminate the differences in participation and achievement attributable to race or ethnicity (Richardson, 1988).

The Richardson stage change theory advances the idea that the state policy environment establishes the legal constraints and the opportunities for acting to increase minority student success (Richardson & Skinner, 1988). Without external pressures, few institutions will progress through the stages of institutional adaptation (Richardson, 1988; Richardson & Skinner, 1988).

Among state options to promote institutional change are regulation, incentives, and influence (Potter & Chickering, 1990). Incentive and categorical funding are increasingly being used by states to signal priorities and put plans into action. Historically most state support for minority student access was in general budget appropriations rather than categorical programs which were more typical of federal interventions (Green, 1982). This appears to have changed over time and Berdahl and Holland's (1989) survey on State Use of Incentive Funding Programs reveals minority participation to be the second most popular purpose for which such programs are created.

By studying the relationship between state-wide funding programs, institutional change, and minority student recruitment and retention, it is possible to suggest generalizations that might be of use to other states. The Kotter, Schlesinger, and Sathe theory of problem-solving and developmental change is helpful in understanding strategies to increase minority student participation and success. The Richardson model is useful in determining the level of institutional change that has been achieved.

Nature of the Research

A great deal of the research and reporting on minority student programs focuses on inputs (Crossland, 1971, Thomas, 1981, Astin, 1982, Wright, 1987, McKenna, 1988). Descriptions of innovative practice abound including programs of financial assistance, admissions guarantees, summer transition programs, and secondary school interventions. The missing element in these reports is consideration of the impacts of those programs. One difficulty in measuring impacts comes from the fact that longitudinal study is necessary to determine student outcomes. Another problem is how to measure impacts and whether observed impacts can be traced to the intervention.

This research explored the policy process that led to the development and implementation of the Virginia Funds for Excellence Subprogram (now the Virginia Student Retention Program) and considers perceived institutional impacts. At the same time the Virginia Student Retention Program was initiated, the state also established the Virginia Student Transition Program, a categorical program that made funding available to all colleges and universities to develop academic support programs for provisionally admitted students. Information about the VSTP is included in the analysis of institutional change because of the interdependence of the two programs.

Program Description

The Virginia Student Retention Program was established to facilitate imaginative "other race"[1] student recruitment and retention projects at Virginia colleges and universities. The initial intention was that the Subprogram would be widely publicized by the State Council at the institutional level, in order that faculty and staff who might have innovative

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[1]In Virginia desegregation cases "other race" refers to black students at historically white institutions and white students at historically black institutions.

recruitment and retention ideas would be encouraged to develop proposals (Casteen, 1983).

Between 1983 and 1990, 112 projects were funded at 28 institutions, the Virginia Community College System, and the State Council of Higher Education for Virginia (SCHEV) itself, for a total of $1.93 million. Biennial appropriations of roughly $300,000 represent about seven percent of the total Virginia effort to achieve an integrated system of higher education. Although some larger awards have been made, ($42,000 to The University of Virginia in 1988 and $39,300 to Virginia Commonwealth in 1986) small awards, of between $15,000 and $25,000, are more common.

There was some disagreement on the part of state policy makers on how proposals were selected for funding. One council staff member stated that although there was an effort to reward innovation or excellence, there was a tandem desire to make sure that all institutions had the opportunity to participate in the program. Council members themselves, however, stressed that their participation in the selection process ensured that hard decisions could be made and that awards were based on the quality of proposals. The data on funded programs do not clearly support either the "reward excellence" or the "spread the money around" observations, but the recent trend appears toward wider, though not even, distribution of funds.

For the most part, programs have been continued, even after Council funding ended. Eighty-five percent of the programs funded between 1983 and 1989 continue to exist. Of the 15 percent that were terminated, lack of institutional funding was the major reason for discontinuation, followed by insufficient minority student population, change in institutional priorities, and achievement of institutional enrollment objectives or program goals (Salzberg, 1989).

METHODOLOGY

The study is a cross case analysis based on document review, observation, and analysis of interview responses from state policy makers and institutional actors in three Virginia universities. Data were collected using a semi-structured interview protocol. The analysis considers actions at the state level, and policy implementation at the institutional level.

The research tries to determine whether the Virginia Student Retention Program, and to a lesser extent the Student Transition Program, facilitated change in Virginia's campuses, what change strategies were facilitative of change (Kotter, Schlesinger, and Sathe's problem-solving and developmental change theory), and what level of institutional adaptation to the presence of minority students has been achieved (Richardson stages).

Underlying the study is the assumption that organizational change is dependent upon certain factors such as level of intervention, number of participants in the intervention, possible resistance to the intervention, and type of funding mechanism. Analysis of institutional change considered institutionalization of projects or parts of projects including:

-incorporating projects or parts into the base budget,
-involvement of more than just the initiators in project implementation,
-allowance of release time for implementors.
-funding of new positions.

Data Sources

Data were collected during fall semester, 1989 through on-site interviews at the state level and at three public universities with differing missions: . a rural comprehensive university (CU), an urban research university (RU), and a research university with highly selective admissions (SU). Institutional identities have been omitted to protect confidentiality. At the institutional level interviews were conducted with presidents, vice presidents for academic and student affairs, affirmative action officers, Subprogram project directors, and other faculty members and administrators connected with funded projects and/or minority student programs. Interviews at the state level were conducted with the State Higher Education Executive Officer (SHEEO), members of the State Council of Higher Education, state council staff, a Secretary of Education, and members of a State-wide Monitoring and Advisory Committee.

Serving as background material, to place the case study interviews in a context, is the documentation surrounding higher education desegregation in Virginia and the Guidelines established for the Virginia Student Retention and Transition Programs. Records, correspondence to and from program staff, and other documents generated by and for the programs provided a foundation for looking at them.

RESULTS

Comprehensive University

Following the Civil Rights era but prior to 1974, Comprehensive University began admitting black students under the same criteria as whites. In 1973 the first black admissions counselor was hired, but it was not until the initiation of the Virginia Student Transition Program (VSTP) in 1983 that the

university made any real efforts to recruit black students. Through the Transition Program the university offered a summer enrichment program prior to the freshman year for students admitted under criteria which accommodated academic disadvantages. State categorical funding was instrumental at CU in opening access and allowing the institution to achieve Richardson's first stage.

In 1985, in response to high attrition of students admitted through the VSTP CU began participating in the Virginia Student Retention Program. The state funded the program at decreasing levels for three years with the university covering the balance needed to provide retention services primarily through a "second summer program". Two new positions were added and the program continued with full university funding beginning in 1989. The Retention Program allowed CU to progress into the second Richardson stage with the establishment of programs to facilitate minority student achievement.

In 1989 CU received incentive funds to establish a Faculty Mentorship program, possibly an initial effort to facilitate organizational movement into the third Richardson stage. Because there are so few minority faculty members at CU, most participants in the Mentorship Program are white, enabling the retention program to move into the mainstream of university life.

Efforts have consistently been made at CU to ensure that black students participate fully in campus life as evidenced by participation in student activities and a fairly comparable retention rate for all students (72% retention) and black students (68%). All of the minority student recruitment and retention programs at CU are run through a central Office of Minority Student Affairs.

The state funded programs did promote institutional change at CU in terms of institutionalization of programs and funding of new positions. The programs enjoy top administrative support as well as broad participation by faculty and administrators, especially in the Faculty Mentorship Program. Although resistance to minority student achievement is not a widely held viewpoint, CU has experienced one or two racist incidents attributed to possible resentment of special programs directed at a specific sub-population of students.

Research University

As early as 1969 the black student population at RU was 10%. In 1972 the first program to recruit minority students who did not meet admissions criteria was established to provide summer academic support. The program was initially funded by the university, then received federal funding for a time. In 1978

the university began picking up funding of the program because federal guidelines for participation were too restrictive, and by 1983 it was fully funded by RU. It was suggested that RU's decision to fund the program launched it into the mainstream of institutional activities and priorities and kept it from being peripheral. Before state incentive funding was initiated, RU had moved into the second Richardson stage by providing academic support to facilitate student participation and success.

In 1983 RU received its first Virginia Student Retention Program grant and in 1984 participation in the Student Transition Program was begun. The first two Retention Program grants were initiated by academic divisions to increase minority participation in specific fields. In 1986 RU, used the Student Retention Program, to initiate Adopt-A-School, one of the first programs in the state to reach into the public school system to provide opportunities for younger students. This was the only project at RU to receive Retention Program grant monies for more than one year. The next state funded program was initiated by a faculty member to diversify the curriculum in RU's Orientation course. In 1989 the state funded another public school outreach program, Project BEST. None of the projects at RU which were established with state incentive funds were continued after state funding was terminated.

The campus is perceived as a comfortable environment for black students who participate fully in campus life. It shows signs of moving up through the second Richardson level as illustrated by programs like Adopt-A-School and Project BEST that reach down into the academic pipeline. The university is approaching the third stage, at least in student participation and the administrative belief that what is good for minority students is good for all students.

Institutional change in terms of institutionalization of state funded programs, increased staff, or new funding was not observed at Research University. Few people were involved in the initiation and implementation of Student Retention Program projects with the exception of project BEST. It remains to be seen whether the institution will pick up support of project BEST after state funding is terminated, but the institution did promise in its proposal to see to it that the program continued. Organizational change at RU was on a micro-level rather than institution-wide, and included curricular changes and new recruitment efforts targeted at local high school students or for specific programs. There was no indication of resistance to any of the projects at Research University.

Selective University

The first black undergraduate was admitted at Selective University in 1966 but by 1971 there were still fewer than 30 black students enrolled. Admissions efforts increased and an Associate Dean of Students for Minority Affairs was hired, but retention of black students continued to challenge the university. In 1979 SU initiated STEP (Summer Transition and Enrichment Program) to help minority students adjust to the predominantly white campus.

Selective University received state incentive funds for STEP in 1983 and changed the timing from a pre-freshman program to one targeted at rising high school seniors. The Student Transition Program provided summer support to new freshmen. STEP was partially funded by the state for three years and has continued since then with institutional support. In 1986 SU received funding for CHAMP (Creating Higher Aspirations and Motivation Program) a program targeted at 9th graders. The intention was to provide a full range of support from 9th grade through college, however state funding was discontinued after the first year and the CHAMP program was terminated. Both CHAMP and STEP, as well as the Student Transition Program are run by a centralized Office of Minority Student Affairs at SU. The dean in that office who was responsible for the initiation of STEP and CHAMP indicated that her office would not be submitting another proposal for state incentive funding because the small fiscal award did not justify the work involved or have sufficient institutional impact.

Following three years of non-participation in the state programs, a group of professional school faculty members and administrators established a program whose purposes were to enhance the university's ability to attract and retain graduate students, a population not typically served by the Virginia Student Retention Program. Not only are new segments of the student population served by the program, but faculty members and administrators not previously involved in the mainstream of minority student activities have been instrumental in getting the program started. While there has been little resistance to the program on campus, the local press has charged that differentiated admissions standards and academic support are unnecessary in graduate and professional programs. This was the only open resistance to a program observed in any of the institutions.

Although there had been institutional activity to improve the recruitment and retention of minority students prior to the state incentive and categorical programs, state funding did result in change as illustrated by institutionalization of STEP, participation of faculty and administrators not involved in the initiation of the program, and commitment of prime classroom and residence hall space. The latest Retention Program grant has

enabled a new group of faculty and administrators to become involved in minority student access and retention.

Top administrators at SU were interested in and supportive of programs to increase minority student admission and success. The SU Board of Visitors committed to provide financial assistance to any black Virginian admitted to the university to insure that cost did not prevent participation and success at SU.

ANALYSIS

The state funded Student Transition Program and Virginia Student Retention Program did help Comprehensive University move through the first two Richardson stages by facilitating admissions and student success. The Faculty Mentorship program provides elements of the third stage in terms of broadening student participation, however CU showed no indication that it was redefining quality in terms of minority student participation. In fact, improvement in GPA and SAT scores was mentioned as a sign that CU was improving in quality overall.

Although state funded programs have helped RU advance in facilitation of minority student success, the primary efforts are located in the Office of Minority Concerns which has never been part of either the Virginia Student Retention or Transition Programs. A possible explanation of the limited impact of state funded programs is the small size of grants and decentralized administration of programs. One administrator at RU suggested that the intention of the state program was symbolic rather than to provide real incentive.

Faculty and administrative participation was greatest at Research University in the most recent project, Project BEST. Awareness of the project was enhanced by virtue of broad participation which included input into writing the proposal and involvement in the implementation. It is too early to determine whether this new program will be institutionalized. The experience at Research University reinforces what Kotter, Schlesinger, and Sathe have suggested in terms of promoting developmental change through broad involvement and minimizing resistance.

Selective University's commitment to minority student success was evident before the state funding programs began, having moved into the second Richardson stage prior to 1983. The initiation of CHAMP showed institutional recognition of the importance of early intervention, however there were some hard feelings over the state's unwillingness to continue funding CHAMP when the university had already illustrated its commitment to

minority student success through STEP and the Board of Visitors scholarship program.

The Virginia Student Retention program has facilitated change on all three campuses, with the most significant change at CU, followed by SU and then RU. At CU and SU programs were administered centrally and funded by the state beyond the initial year. At RU projects were initiated by faculty and although projects were submitted every year, only one project received multiple year funding. Changes attributable to incentives included increased enrollment (CU and SU) and participation in campus activities (all three campuses) by minority students. A new office was established and staffed at CU and all three campuses enjoyed top administrative support for minority student recruitment and retention programs. At two campuses (RU and CU) mention was made of the full participation of minority students in all aspects of campus life. At SU minority students were described as "more similar to majority students than different from them".

These changes are indicative of movement from the first to the second stage in the Richardson model with some aspects of the third stage illustrated, such as full participation of minorities and diminishing differences between groups.

Limitations to campus change were attributed to the limited size of awards, the one year funding cycle, and the fact that the intention of the state incentive program may be largely symbolic. It was acknowledged that larger issues of campus climate, are not likely to be solved by "simply throwing money at them". Changes that would move institutions into the third stage of Richardson's model are unlikely to be facilitated through projects initiated through the state incentive and categorical programs.

CONCLUSIONS

1. Central administration of projects appears to be more facilitative of institutionalization and institutional impact than decentralized projects.

The institutions studied were unable to identify fundamental institutional change resulting from projects funded through the Virginia Student Retention Program. However, the two institutions that utilized the funding to initiate projects out of a centralized administrative office, Selective University and Comprehensive University, identified greater institutionalization of projects than did the institution that solicited proposals from individual departments and faculty members. This suggests that centralization is a better change strategy, at least in terms of institutionalization of projects, than decentralization of programs.

This is in contrast to what is identified in the literature on minority student participation (Peterson et al, 1978) and on financial incentives (Eyler, 1984; Folger, 1984). Peterson observed that centralized programs were perceived as separatist and that decentralized programs had the advantage of minimizing opposition and increasing integration. In the incentive funding literature "grass roots" participation in the incentive programs was seen to facilitate the maintenance of change over time.

2. If individual departments and faculty wish to participate and promote institutional impacts, they should work to include a broad representation of faculty and administrators.

At Research University, where program funds were scattered among various departments it appears that the faculty who initiated funded projects were compartmentalized in addition to being decentralized. This could explain the lack of institutionalization of projects. The one office that was seen to have an impact on minority student recruitment and retention was the Office of Academic Support, a campus-wide administrative operation. Reasons cited for the success of this office related to institutionalization and commitment and the fact that the office had moved out of individual academic departments and into the mainstream of academic affairs.

According to the Kotter, Schlesinger, and Sathe theory participation levels are a component that differentiates problem-solving from developmental change strategies. Change strategies in response to an immediate problem tend to be initiated quickly with very little involvement of others. Developmental change takes place more slowly and is likely to involve greater numbers of people. By involving his office more directly in the mainstream of campus life, the director of the Office of Academic Support at Research University did increase administrative and faculty participation in his program. According to the theory this will move the program along the continuum toward developmental change.

This would suggest that if individual departments or faculty members are interested in initiating projects that enjoy campus-wide visibility, they should avoid becoming compartmentalized and should involve key members of the campus community in initiating and implementing the projects. Resistance is more likely to be controlled or minimized if key people are involved at the decision making and implementation stage, rather than creating a need to overcome resistance once a program is in place.

3. Institutions were able to reach only the second level of institutional adaptation to the conflict between access and quality. Even though the stages are seen as evolutionary and

build upon each other, the transition from the second to the third stage is a very large step.

In the three case study institutions, movement toward comparable achievement for black and white students was a goal held by both academic and student life administrators. Some progress was made and programs like the second summer program at Comprehensive University, the Office of Academic Support at Research University, and the Transition Program at Selective University were evidence of institutional commitment to moving toward higher achievement levels for "at risk" or "potentially successful" students.

At all three institutions the special programs were becoming mainstreamed, and particularly at Research University and Comprehensive University the populations being served were becoming more inclusive. At Comprehensive University student retention was viewed as a problem for both black and white students and the Office of Minority Concerns was reaching out to all students.

Comparable achievement between majority and minority students in the three case study institutions implied that minority students met the quality standards that were traditionally expected in the institutions. According to Richardson's theory however, institutions at the third stage redefine quality to be more compatible with access goals. Fundamental change alters the learning environment to accommodate new students.

4. It appears unlikely that current Virginia Student Retention strategies will move institutions to Richardson's third stage. Redefinition of quality does not appear to be in terms of minority student access and achievement in the case study institutions.

None of the institutions studied approached minority student achievement in terms of redefining quality to accommodate diversity. In fact, redefinition of quality at both Research University and Comprehensive University was in the direction of increasing movement toward traditional quality standards. The overall quality of Virginia higher education, as measured in traditional terms, was described as improving. Both state and institutional actors expressed pride in higher admission, instruction, and completion standards. At Research University only one administrator expressed a concern that as admissions became more selective and certain majors adopted additional admissions criteria, minority students might be excluded from the university and from certain major fields. One administrator at Comprehensive University expressed a similar concern.

5. Incentives are especially useful strategies when a variety of different projects will benefit diverse institutions.

State policy makers largely agreed that, in facilitating organizational change, incentives were preferable to mandates or unfunded attempts to establish goals or a tone. One of the expressed advantages, particularly in Virginia where institutional autonomy and diversity are valued, is that incentives enable the individual institutions, or project directors, to design programs that meet unique needs and situations. For example, at Comprehensive University the programs could be targeted at recruiting black high school graduates from urban areas, while Research University projects could focus on retaining black students who had been enrolling there because of the campus' urban location.

Both Eyler (1984) and Jones (1984, 1989) cited adaptability to individual institutional priorities as an advantage of incentive funding.

6. Incentives can provide the added push when institutions (or departments) are slow to move on their own.

Institutional actors were able to see the advantages of incentives as reinforcement for organizational or administrative goals. At both Comprehensive and Research Universities, senior level academic administrators have targeted funding for minority faculty and staff recruitment to reinforce stated affirmative action goals. Both sets of administrators expressed the belief that the time had come to move beyond asking faculty to hire minority members "because it is the right thing to do" and they have supported their belief with funding.

Eyler (1984) observed that political reality plays a part in the success of incentive programs. Success of the programs is at least in part related to the ability of institutions to advance their own priorities. All three universities were very committed to increasing minority student presence and success at the time the Retention Program was initiated (and continue to be so).

7. A balance between competitive and categorical programs recognizes the twin state responsibilities to both reward excellence and encourage broad institutional participation.

A major point of disagreement at both the state and institutional level arose over whether funding in the Student Retention Program was really competitive and rewarded innovation and/or excellence, or whether it was a mechanism to spread state funds among many institutions to achieve a state goal. This raises the question of whether the state role should be to ensure a minimum level of participation in a program which is in the state's interest. Because the state has an interest in ensuring

the success of all state agencies, there may be a twin obligation to seek out and fund projects most likely to succeed while also ensuring that all participate. This could be achieved by returning to more competitive funding in the incentive program while obtaining wide participation through categorical programs. In spite of the ability to promote state goals through budget incentives, one of the liabilities associated with incentive funding is that states often cut incentives in times of budget crisis.

8. Institutionalization of projects requires more than one year of external funding to get started.

At both Selective University and Comprehensive University, Student Retention Program projects were funded for multiple years by SCHEV. When state funding of the multiple year projects was removed, the institutions picked up financial responsibility for the projects. At Research University all projects but one were funded for only a single year by the state and no projects were picked up with institutional funding.

One project director noted that institutionalization requires a phasing in and that Upward Bound is a better model for institutionalization than the Retention Program. "Even with good intentions", he went on, "one year may not be enough to allow a program to be phased in". In Virginia, with biennial budget cycles, incorporation of projects into institutional budgets takes longer than the one year provided by the program. A project director suggested that the danger with incentives and yearly RFP's was that institutions would seek funding each year in different areas with no effort to coordinate the activities or commitment to institutionalize them. This appeared to be the case at Research University.

In a recent report to the state of Texas, Folger, Hobbs, and Schmidtlein (1989) noted that, "Incentives must be of sufficient size, directed at the group or unit that is responsible for the improvement, and available over a sufficient time to produce changes that are desired" (p. 33). Retention Program grants have ranged from a low of $1,150 to a high of $42,000 with average grants between $15,000 and $20,000. These relatively small grants awarded for short time spans may be insufficient to cause enduring change in institutional behavior, and could diminish institutional desire to participate. Two past project directors indicated that they would not seek Student Retention Program grants again for these reasons.

SUMMARY

Institutional change as measured by institutionalization of projects, incorporation into base budgets, release time, and new

hires was observed in two of the three institutions. It appears this developmental change was related to centralized administration of projects and support of top administration. This confirms earlier research in terms of the importance of leadership, but contradicts other studies which indicated that decentralized administration is more likely to lead to long-term change.

According to respondents at both the state and institutional level, incentives were preferable to mandates or unfunded attempts to establish goals and priorities. Particularly where autonomy and diversity are valued, incentives enabled individual institutions or project directors to design programs that met unique needs and situations. Although the literature on incentives leans toward using them for short-term projects or goals, projects funded through the Virginia Student Retention Program at two of the three institutions have become institutionalized and indications are that the institutional change will be long term. Change appears most likely when external funding is provided over several years and is sufficient to cover program costs.

Although some progress has been made to improve the success of Virginia's minority students, further effort on the part of both the state and the institutions will be necessary to provide an environment that insures equal opportunity for all students. As programs become institutionalized, the impact on student success will need to be measured to insure that the goals are being carried out.

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